

DDI 00274-86
17 January 1986

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: Robert M. Gates
Deputy Director for Intelligence

SUBJECT: DDI Activity Report 13-17 January 1986

DCI/DDCI Assigned Tasks

NESA and other offices provided talking points on a variety of subjects for the DCI's Middle East trip.

Policy Support

The DDI, NIO/SP, and D/SOVA briefed Secretary Weinberger on the implications of the Soviet economic plan for Soviet defense spending. The main message was that while the Soviets have embarked on a major industrial modernization program, they will continue along the course of steady growth in defense expenditures that has marked recent years.

D/OGI met with several policy officials on international economic issues and Agency support to them:

- Under Secretary of Commerce for International Trade Bruce Smart indicated that he was concerned about the inability of the economic policy community to formulate a medium or long range strategy for problems facing the United States in the international economic arena.
- Ambassador Michael Smith, Deputy Director at USTR, was concerned about the development of nationalistic, economic policies he sees emerging in Third World debtor countries, particularly Brazil.
- NSC Executive Director Bill Martin is particularly interested in Agency support on international energy issues, especially gas pipeline questions.
- Stephan Danzansky, Special Assistant to the President and Senior Director of International Economic Affairs, was interested in angles for tabling the terrorism issue

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with the European participants at the Tokyo economic summit.

EURA provided Deputy Secretary Whitehead with another typescript on West European responses to the US call for sanctions against Libya before he left on his nine-nation trip, and OGI supplied him with analyses of Libyan support for terrorism (particularly financial help involving US banks), links with radical Palestinians, and dependence on foreign oil companies.

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NESA provided a daily situation report to the NSC staff on reactions to the administration's new Libya sanctions, a written brief to Deputy Presidential Assistant Fortier on Libyan tactics toward Europe, and a typescript to Under Secretary Armacost on the impact the sanctions are having on the Libyan civil air fleet.

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At Vice President Bush's request, EURA produced an unclassified version of a typescript reporting that the [REDACTED] 25X1
[REDACTED] European publics probably are ahead of 25X1
their governments in wanting firm responses to terrorism.

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OEA briefed Acting Assistant Secretary of Energy for International Affairs George Bradley on China's energy sector in preparation for the Secretary of Energy's visit to China in March.

ALA will participate with other Intelligence Community members this Saturday in a roundtable discussion on Haiti with Assistant Secretary of State Elliott Abrams.

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CPAS delivered copies of a videotape on Botha and South Africa to Vice President Bush, Secretary Shultz, Secretary Weinberger, Chairman Crowe and Deputy Presidential Assistant Fortier.

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EURA and other analysts briefed Ambassadors Schnael (Finland) and Heckler (Ireland) on a broad range of subjects and will prepare a follow-up memo for Ambassador Schnael on Finnish investment policies.

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[redacted]

SOVA briefed Assistant Secretary of the Treasury Frank Keating and Commissioner of Customs William Von Raab regarding forced labor in the USSR.

SOVA provided a contribution on Soviet activities in South America for an NSSD on US policy for South America.

ALA briefed Deputy Assistant Secretary of State for the Caribbean Richard Holwill on Haiti.

ALA provided a pre-trip briefing to Deputy Assistant Secretary for Commerce Kelly on Zimbabwe, Mozambique, Ivory Coast, Nigeria, and Botswana.

ALA briefed the Board of Governors of the EXIM Bank on Nigeria's political and economic outlook.

ALA, OGI, and DO briefed Alex Good, Director of US and Foreign Commercial Services, Department of Commerce, on known terrorist threats to US business interests in Latin America.

Research

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NESA began to input data into a computerized database on military incidents in Afghanistan [redacted]
[redacted] Once the database is operational, NESA analysts

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will be better able to identify trends in casualties and equipment losses, the geographic spread of the war, and the competence of insurgent leaders.

OGI's assessment of the potential for undiscovered oil resources in Jordan is nearing completion.

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Administrative and Personnel Matters

The DI Product Evaluation Staff has begun work on a study of past external analysis efforts in an effort to help the Directorate better target external analysis funds during the coming period of financial austerity.

The DI's Minority Undergraduate Studies Program, which began last year, appears to be doing very well. We have received 165 applications so far this year and have 24 of those applicants in process (about double the similar numbers from last year).

Other

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SOVA and EURA analysts held a one-day seminar on East German efforts to reform economic management and planning and their possible applicability to the USSR

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Two EURA analysts attended a conference on Southern Europe at the Federal Reserve Bank in New York.

Briefings on the Hill

There were 3 briefings on the Hill this past week.

ALA briefed a staffer for Senator Byrd and House Foreign Affairs Committee staffers on Angola.

OSWR briefed staff members of the House Armed Services Committee on Soviet submarine technology R&D.


Robert M. Gates

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